City of Westminster (CO) Challenges Assumptions Through Utility Bill Tracking

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WESTMINSTER COLORADO

Description: City of Westminster, Colorado is northwest of Denver with a population of 106,000 people.

EnergyCAP Installation: January 2012.

Tracking: 35 buildings, nearly 100 irrigation controllers, 150 electric meters, 170 water meters, and 30 gas meters. Liquid fuels will be added in the future.

Summary

The City of Westminster, Colorado was like many other modest-sized municipalities when it came to handling utility bill expenses. But Thomas Ochtera, Energy Coordinator for the City of Westminster, set out to challenge many of the assumptions that contribute to wasteful spending in order to impact city budgeting, accounting processes, and most importantly, energy awareness.

Ochtera doesn't put a lot of stock in expensive control systems for municipal buildings: "You can't replace the technician going out," he says flatly, "You physically have to go onsite and troubleshoot." So why does Ochtera get excited about utility bill tracking with EnergyCAP energy management software? Because he believes raising energy awareness is as vital as energy management. According to Ochtera, EnergyCAP is "tracking in a digestible format."

The Need

Prior to EnergyCAP, the City of Westminster lacked a coordinated energy plan. Utility bills were processed at the departmental level with little or no analysis—a process Ochtera described as "rubber stamping". By the time the bills made it through the Accounts Payable (A/P) system, double-billing, and late payments and fees were frequent occurrences.

Utility budgets were adjusted across the board on a percentage basis. The municipality had never been able to provide comprehensive reporting on energy use. Without a measurement and reporting tool, energy

awareness and management expectations were low. Annual utility budget increases were routinely tied to utility rate increases, perpetuating two common energy myths:

- Energy costs are a fixed overhead cost.
- Individuals cannot impact energy use.

> "Raising energy awareness is as vital as energy management."
>
> **Thomas Ochtera, Energy Coordinator**

Ochtera set out to challenge both. "Raising energy awareness is as vital as energy management," says Ochtera. "The municipality is not in the business of making money, but I believe the business model applies. There are two mistakes that are often made—an assumption that the engineer who designed the building had energy management in mind. The second assumption is that there's nothing that can be done about energy consumption." Ochtera wants to challenge these faulty assumptions with energy information.

Using publicly-available RFPs, the city committee tasked with software acquisition identified the desirable software features and, in the process, discovered valuable savings opportunities. "Along the way, we also learned about EDI and how we could save tens of thousands of dollars in accounting labor before we even saved a kilowatt," Ochtera said. The RFP Review committee was the same as the subsequent software implementation team, so there was good stakeholder buy-in throughout the RFP process.

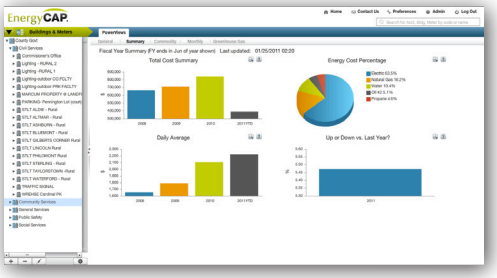
The Solution

Centralization of bill processing and integration with the City's A/P System. According to Ochtera, EnergyCAP's A/P integration capability, along with centralization of the city's bill processing, will save $40,000 to $60,000 annually in labor costs alone. Ninety-nine percent of the City's bills will be imported to accounting—a decrease from 400 monthly bills entered manually to only six. From there, automated wire transfer payments will enable Westminster to keep funds in City coffers longer. "We want the process automated, self-audited, and transparent," explains Ochtera, "It's a seamless flow of data from the utility to us and back to the utility company."

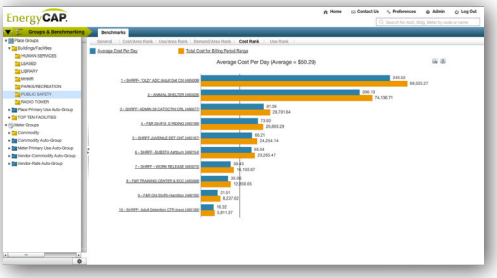
The Bill Batch report was helpful in providing details on what had been imported and exported to A/P, including account numbers and relevant billing data. This information provided the Westminster A/P department with the blueprint for what should have been going through the new system. Ochtera says there were hurdles in the EDI implementation, but he praises the EnergyCAP team: "They've really come through with every one of the promises they made during the RFP stage. We checked references before we brought them on, and we've recommended EnergyCAP to other organizations. It's a really clever way of doing energy management."

Issue Tracking. The EnergyCAP Issue Tracker was helpful in resolving some early issues with electronic bill payment. Using an Issue Tracker report, Ochtera was able to print out all pertinent data for the utility providers. With 350 meters to track, the meter-based Issue Tracker notes were helpful in getting a handle on specific issues from month to month.

Organized City Portfolio. One difficulty for Ochtera in EnergyCAP implementation was creating a basic structure of accounts and buildings in EnergyCAP to accurately model the City's organizational features. The City had never organized its portfolio before. According to Ochtera, "To create a logic tree the first time around was a challenge. We didn't have an asset system. We didn't have a nomenclature for account codes or place codes. We started using physical addresses. But what do you do for street lights? We should have been using meter numbers, and had to switch during implementation.

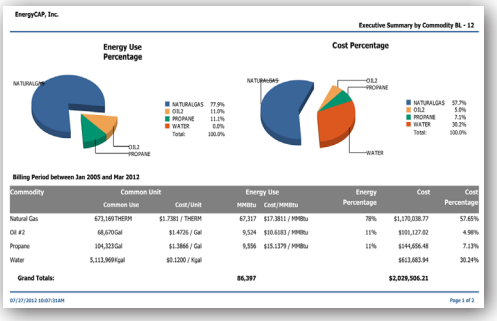


"It's important to really take the time to understand the possibilities," Ochtera says. "How are we going to handle photovoltaics? Are we going to submeter? There are many logistical challenges." But Ochtera is taking the long view.



Benchmarking charts and reports. For him, the real payoff is the ability to share energy information and benchmark performance to motivate future energy-saving efforts throughout the City government. About a quarter of the City's portfolio is under some level of remote control. The rest of the buildings have local controls for energy management.

The largest energy consumers are the water treatment facilities, including a reclaimed water facility. There are also two recreation centers with indoor pools, and two without. There are six fire stations, and two golf course facilities (clubhouse/restaurant). Other properties include City Hall, Public Safety, and Municipal Services. Similar use facilities offer valuable benchmarking and comparison opportunities. EnergyCAP offers benchmarking charts and reports based on building primary use.



Ochtera is implementing monthly facility reports to help managers respond to energy management issues in their buildings. The City's irrigation system offers a unique benchmarking opportunity, since some irrigation meters are on a usage-based rate and others are on a fixed rate. Comparisons provide valuable data for maximizing cost savings for the City. EnergyCAP is providing summary reporting on the big picture of City utility use for the first time in Westminster history.

Conclusion

With EnergyCAP, the City of Westminster's energy management program is paying off with more efficient and automated business processes and practices. The software RFP process provided a valuable education in energy savings opportunities for primary stakeholders in this municipal government. Faulty assumptions about energy are being challenged and corrected. The Westminster EnergyCAP implementation process suggests that an active energy manager committed to using utility bill tracking as an integral part of an ongoing energy management initiative can realize short- and long-term energy savings.

Acknowledgement

Thanks to Thomas Ochtera, Energy Coordinator for the City of Westminster, for his assistance in preparing this Case Study.

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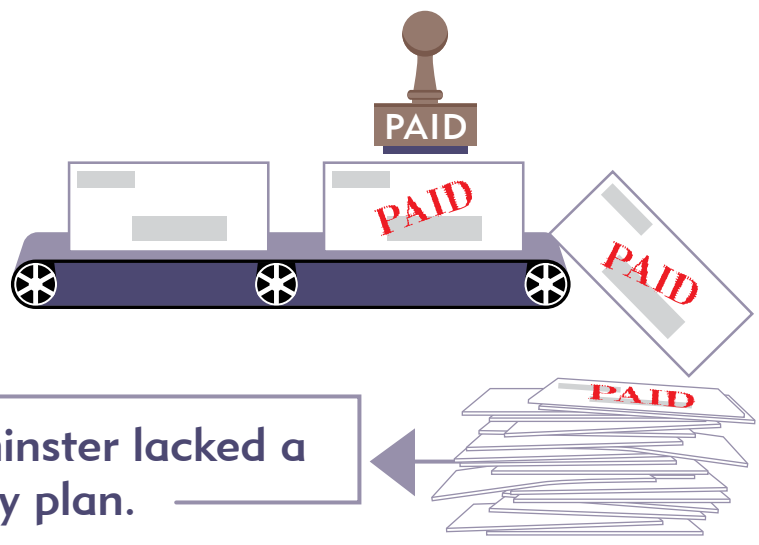
Westminster, Colorado Defeats Energy Myths

THROUGH UTILITY BILL TRACKING

Before EnergyCAP....

Bills were processed with minimal analysis—a process known as "rubber stamping".



The City of Westminster lacked a coordinated energy plan.

This perpetuated 2 common energy myths:

MYTH 1:
ENERGY COSTS ARE A FIXED OVERHEAD COST

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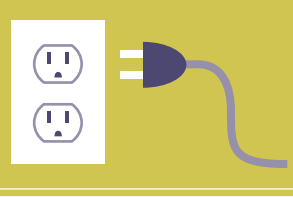
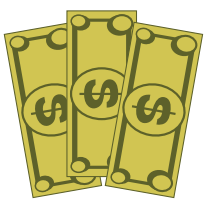
MYTH 2:
INDIVIDUALS CANNOT IMPACT ENERGY USE



Thomas Ochtera,
ENERGY COORDINATOR FOR THE CITY OF WESTMINSTER,
set out to challenge these assumptions with energy information.

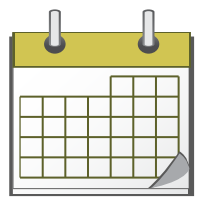
Centralization of Bill Processing & Integration with the City's A/P System



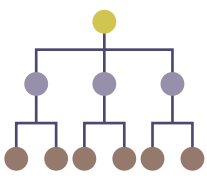
EnergyCAP's A/P integration capability, along with centralization of the City's bill processing, will save $40,000–$60,000 annually in labor costs alone.

Issue Tracking

Issue Tracker notes were helpful in getting a handle on specific issues from month to month.



Organized City Portfolio



EnergyCAP helped create a basic structure of accounts and buildings to accurately model the City's energy use and cost.

Benchmarking Charts & Reports

EnergyCAP is providing summary reporting on the big picture of City utility use for the first time in Westminster history.

THE CITY OF WESTMINSTER tracks:

35	100	150	170	30
BUILDINGS	IRRIGATION CONTROLLERS	ELECTRIC METERS	WATER METERS	GAS METERS

Westminster's energy management program is paying off with more efficient and automated business processes.

 www.EnergyCAP.com